

State of Utah Department of Commerce

Division of Securities

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NEWS RELEASE

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<u>Dallas Financial Adviser Pleads Guilty to Securities Fraud Charges</u>
"Ad Topper" advertising devices promised big profits but lied to investors ...

SALT LAKE CITY, Utah –Clifton Curtis Sneed, of Dallas, Texas, pleaded guilty today to three securities violations for soliciting \$92,000 from Utah residents for an investment scheme involving advertising devices. The plea was in a criminal case filed by the Utah Attorney General's office. Sneed personally guaranteed 16% return on the "no risk" investments in LCD screens called Ad Toppers. He said each screen would be placed in a high-traffic area and generate income each month from advertisers. These representations were false.

Sneed pleaded guilty to securities fraud, selling unregistered securities, and selling securities without being licensed. The fraud conviction relates to his claims that the investment had no risk, that the advertising devices displayed advertisements, and that he had invested \$300,000 of his own money and his father's money. In actuality, there were no advertising devices ever installed and no contracts with advertisers to show their advertisements. As part of its investigation, the Utah Division of Securities determined the device had never been installed in locations claimed by the company and that advertisements placed on a prototype of the device were not authorized by advertisers.

The investigation revealed that Sneed raised more than \$20 million for the Ad Toppers, receiving \$1.2 million in commissions. Utah investors included an 84-year-old blind man who was promised monthly income payments, an investor who was told he had to hurry and send his money before the SEC changed the tax structure, and a man who was told that a computer virus had prevented him from getting the promised payments.

The criminal charges were first filed against Sneed on March 30, 2006. The Attorney General's criminal case was coordinated with actions by securities regulators. The Utah Division of Securities issued Orders to Show Cause on April 3 against Sneed, Sneed Financial Services, Unlimited Cash, and Douglas Network Enterprises. The U.S. Securities and Exchange Commission also filed a civil action in Texas freezing assets of the companies. Sneed will be sentenced on March 30, 2007 in Third District Court in Salt Lake.